



# Superior Returns Built on Lasting Relationships

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Promotion

# Cleveland Business Profiles

The private equity world has not always been known for building strong partnerships with company management. But that has been the vision and practice at Kirtland Capital Partners since the company's founding more than 30 years ago.

"We get involved working with a management team and create a strategy. That may include add-on acquisitions, new plants, anything that relates to the growth of the business," says Jack Turben, senior managing partner and chairman, who founded Kirtland Capital Partners in 1977 at a time when the private equity investment strategy was untested.

KCP, with \$300 million of capital under management, targets manufacturing, distribution and business services companies with annual revenues between \$25 million and \$250 million. KCP was a groundbreaking company in the middle-market private equity market. This year it received the Association for Corporate Growth Deal Maker Award honoring Northeast Ohio businesses that have been active and successful in the deal markets.

KCP has stayed true to its founding principle of a long-term investment strategy that builds value in entrepreneurial companies.

"Our philosophy has always been to build partnerships with strong operating management teams," says John Nestor, KCP senior managing partner and CEO. "We have a unique balance of being supportive, while not being intrusive. We help build businesses rather than dismantling them."

KCP's investment in Unifrax Corporation is an example of its partnership approach. Over seven years, KCP assisted the Unifrax management team in executing a strategy of investing \$47.2 million in capital expenditures to expand capacity and complete an acquisition that made it the number one producer of ceramic fiber in the world.

"KCP has a unique ability to be a partner, in the truest sense of the word, to the limited partners and management teams that make up its portfolio," says William P. Kelly, Unifrax chairman. "Perhaps that comes as a result of 30 years in the business, but, more likely, the culture is a product of the leadership."

Indeed, KCP has eight partners with an average of 14 years with the firm. Its 13 professionals have 200-plus years of experience working with middle-market companies.

The relationships KCP forms with portfolio company management are often lasting ones that go beyond the initial investment bond.

"Many of our current and former portfolio company CEOs are investors in KCP," says Dave Halstead, KCP managing partner. "They serve on both our portfolio company boards of directors and as advisors and give meaningful time commitments. As seasoned executives, they have an ability to gain credibility and add value immediately with management teams."

KCP works with its portfolio companies to accelerate their growth and value enhancement by making available a variety of internal and external resources. These resources are provided in a collaborative approach with management and include operational improvements, financial management, strategic planning, management team development and strategic acquisitions.

"We have a reputation of being a good partner, not only through the good times, but also during downturns. It's a reputation we value," says Tom Littman, KCP managing partner.

### Kirtland Capital Partners: Partnerships and Growth

- Kirtland Capital Partners, a Cleveland-based private equity firm, has a three-decade legacy of completing 52 platform and add-on investments, raising more than \$500 million in investment capital and growing from two professionals to 13. Many of its investments have been headquartered in the Midwest.

### Among its current holdings:

- SmartSource Computer & Audio Visual Rentals – providers of short-term computer, audio visual and technology rental equipment and service
- MicroGroup – manufacturer of metal components for medical devices and analytical instruments
- Truck Bodies & Equipment International – manufacturer of truck bodies, hoists and truck and trailer equipment
- Vitex Packaging Group – manufacturer of innovative packaging products
- Essex Crane Rental – a lattice-boom crawler crane rental company
- Novapak – manufacturer of plastic bottles and specialty containers

### Kirtland Capital Partners

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KCP Partners (from left) John G. Nestor, Thomas N. Littman, David A. Wood, Robert E. Fines, Michael T. DeGrandis, David W. Halstead, John F. Turben, James A. Foley